



Chelverton

ASSET MANAGEMENT LTD

Monthly Fact Sheet 31 December 2013

Launch Date	4th December 2006
Fund Size	£228.9m
Historic Yield (%)*	4.58

Share Price (as at 31.12.13)

Shares	Income	Accumulation
A Shares	101.63p	149.11p
B Shares	105.36p	160.19p



Fund Managers



David Horner

qualified as a chartered accountant in 1984 with Touche Ross & Co before joining 3i Corporate Finance Limited in 1986 where he was a manager giving corporate finance advice. In May 1993 he

joined Strand Partners Limited, and was appointed a director in January 1994, where he carried out a range of corporate finance assignments identifying, structuring and managing investments in quoted and unquoted companies. In October 1997 he left to set up Chelverton Asset Management Limited and was responsible for setting up, in May 1999, the Small Companies Dividend Trust, which he still manages. He has co-managed the Chelverton UK Equity Income Fund since launch.



David Taylor

began his career as an analyst in the research department at Wedd Durlacher and moved into fund management in 1987 with the Merchant Navy Officers Pension Fund. He joined

Gartmore Investment Limited in 1991, during this time, he ran a combination of institutional funds and investment trusts, namely the Clydesdale Investment Trust and London & Strathclyde Trust. In 1995, he moved to LGT to manage small cap retail funds and latterly spent nearly seven years as head of UK smaller companies at HSBC Asset Management. He joined Chelverton Asset Management in January 2006 and has co-managed the Chelverton UK Equity Income Fund since launch.

*The historic yield reflects distributions over the past 12 months as a percentage of the bid price of the A share class as at the date shown. It does not include any initial charge and investors may be subject to tax on their distributions.

PFS Chelverton UK Equity Income Fund

Investment Objective and Policy

The objective of the Fund is to provide a progressive income stream and achieve long-term capital growth by investing primarily in a portfolio of fully listed and AIM traded UK equities. The Fund will invest in UK companies which aim to provide a high initial dividend, progressive dividend payments and long term capital appreciation.

Monthly Manager Commentary

Looking back over the past twelve months the recovery in equity markets really started as a reaction to perceived overvaluations in other asset classes and a growing confidence amongst commentators that we were over the worst as far as the domestic economy was concerned. In particular investors were attracted to a combination of 'quality' earnings on one hand and to cash flow and dividend yield on the other. As estimates for UK GDP Growth continued to grow there was a positive size bias towards the performance of small and mid cap stocks who are relatively more dependent on the UK economy than their larger counterparts. Our fund has had the benefit of the outperformance of small and mid caps combined with the continued attraction of Companies with good dividend yields. Once again dividend growth has been strong but it is fair to say that, in aggregate, earnings growth has disappointed and in the last month the number of downward earnings revisions still outnumbered the upgrades.

A number of domestic sectors such as house builders and motor retailers have seen consistent underlying earnings upgrades over the past six months and we have seen a strong performance from shares such as Galliford Try and Lookers. As we look forward however we need to see this positive earnings momentum spread far wider than just a couple of 'hot' spots for share prices to continue their progress. We remain optimistic that we will see upgrades but remain of the opinion that they may not happen until later in the year. In the meantime the good macro news, benign interest rate environment and the anticipated positive fund flows into equities should underpin current valuations. In our fund we continue to run our winners into the first quarter of the New Year and have also maintained the underlying equity yield of the portfolio at around four percent. In this way we believe we can maintain an appropriate balance between capital gain and income for our investors in a market that we expect to continue to rise.

Cumulative Performance

	1 m	3 m	YTD	1 yr	3 yrs	5 yrs
Fund (%)	1.88	7.42	40.92	40.92	69.45	226.66
Sector Rank	48/98	27/98	3/96	3/96	2/85	2/72
Quartile Ranking	2nd	2nd	1st	1st	1st	1st
IMA UK Equity Income (%)	1.85	6.48	25.17	25.17	37.44	95.54

Source: Lipper, NAV to NAV, A Shares Inc, Total Return to 31.12.2013

Discrete Annual Performance

	31.12.12	30.12.11	31.12.10	31.12.09	31.12.08
	31.12.13	31.12.12	30.12.11	31.12.10	31.12.09
Fund (%)	40.92	29.36	-7.04	36.52	41.21

Source: Lipper, NAV to NAV, A Shares Inc, Total Return to 31.12.2013

Dividend History

		Q1	Q2	Q3	Q4	Total
2010	B (Inc)	0.60p	0.80p	0.80p	1.67p	3.87p
	A (Inc)	0.60p	0.80p	0.80p	1.64p	3.84p
2011	B (Inc)	0.63p	0.85p	0.85p	2.02p	4.35p
	A (Inc)	0.63p	0.85p	0.85p	1.97p	4.30p
2012	B (Inc)	0.67p	0.90p	0.90p	1.83p	4.30p
	A (Inc)	0.67p	0.90p	0.90p	1.72p	4.19p
2013	B (Inc)	0.69p	1.00p	1.00p	2.12p (e)	4.81p (e)
	A (Inc)	0.69p	1.00p	1.00p	1.96p (e)	4.65p (e)

History of dividends declared per share; (e) is estimated. Source: Chelverton Asset Management Limited,

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PFS Chelverton UK Equity Income Fund

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ACD
Phoenix Fund Services Ltd

Investment Advisor
Chelverton Asset Management Ltd

Administrator
Phoenix Fund Services Ltd

Income Paid Quarterly

XD Dates 31 March, 30 June
30 September, 31 December

Valuation 12 Noon, Daily

SEDOL Codes

	Income	Accumulation
A Shares	B1FD624	B1Y9J46
B Shares	B1FD646	B1Y9J57

Initial Charge (%)

A Shares	2.0
B Shares	0.0

Annual Management Fee (%)

A Shares	1.5
B Shares	0.75

Minimum Investment

A Shares	£1,000
B Shares	£100,000

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FURTHER INFORMATION

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Top 20 Holdings

Holding	Sector	% of Portfolio
1. Premier Farnell	Electronic & Electrical Equipment	1.81
2. Galliford Try	Construction & Building Materials	1.78
3. Phoenix Group	Investment Companies	1.69
4. Smiths News	Industrials	1.68
5. Dairy Crest Group	Consumer Goods	1.59
6. Domino Printing Sciences	Software & Computer Services	1.56
7. Go-Ahead Group	Transport	1.54
8. WH Smith	General Retailers	1.52
9. Informa	Media & Photography	1.48
10. Fidessa Group	Software & Computer Services	1.47
11. Ladbrokes	Leisure, Entertainment & Hotels	1.46
12. Pennon Group	Water	1.46
13. ICAP	Investment Companies	1.44
14. Marston's	Leisure, Entertainment & Hotels	1.43
15. Braemar Shipping Services	Support Services	1.41
16. Amlin Plc	Speciality & Other Finance	1.39
17. Ashmore	Investment Companies	1.38
18. Kier Group	Industrials	1.36
19. TalkTalk Telecom Group	Telecommunications Services	1.36
20. Segro	Real Estate	1.34

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	32.18	27
£500m - £1bn	21.12	18
£250m - £500m	16.26	17
£100m - £250m	20.02	21
Below £100m	4.15	8
Cash and Income	6.27	-
Total	100.00	91

Source: Chelverton Asset Management Limited

Disclaimer: This fund invests in smaller companies and carries a higher degree of risk than funds investing in larger companies. The shares of smaller companies may be less liquid and their performance more volatile over shorter time periods. The fund can also invest in smaller companies listed on the Alternative Investment Market (AIM) which also carry the risks described above. This document is provided for information purposes only and should not be interpreted as investment advice. If you have any doubts as to the suitability of an investment, please consult your financial adviser. The information contained in this document has been obtained from sources that Chelverton Asset Management Limited ("CAM") considers to be reliable. However, CAM cannot guarantee the accuracy or completeness of the information provided, and therefore no investment decision should be based solely on this data. Past performance is not a guide to future performance. This document is issued by CAM, Authorised and regulated by the Financial Conduct Authority. This document does not represent a recommendation by CAM to purchase shares in this Fund. We recommend private investors seek the services of a Financial Adviser. Phoenix Fund Services (UK) Ltd are the Authorised Corporate Director of this fund and prospectuses for the fund are obtainable directly from them. Please email pfsinfo@phoenixfundservices.com or call +44 (0) 1245 398 950.